

January 18, 2005

RE: Western Area Power Administration (WAPA)

Dear Applicant for WAPA Preference Allocation:

This letter confirms that San Diego Gas & Electric (SDG&E) is committed to assisting any SDG&E customer that receives a Parker Davis allocation realize the full benefits of that power. SDG&E offers this assistance on a non-discriminatory basis and subject to final approval by the California Public Utilities Commission

SDG&E's offer of assistance includes but is not limited to assuring deliverability of preference allocations and to continue to serve customer load not met by preference allocations. SDG&E is willing to aggregate any and all preference allocations, taking responsibility for all scheduling coordinator obligations at a Western Area Power Administration agreed upon delivery point. On preliminary review, SDG&E believes that Mead (LC1-SP15), Blythe (LC2-SP15) and Parker (LC3-SP15) Branch Groups are potentially desirable points of delivery.

If you have any questions, please do not hesitate to contact Bonnie Bailey at 858-654-1183.

Very Truly Yours.

Richard M. Morrow

Vice President - Customer Service Major Markets